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Prime Minister's schedule, April 21

NIKKEI (Page 2) (Full)
April 22, 2009

09:02

Attended a cabinet meeting. Foreign Minister Nakasone stayed on.

09:56

Made an informal representation at the Imperial Palace on decorating.

11:03

Put his things in order at his private residence in Kamiyamacho.

11:42

Returned to his official residence.

13:02

Attended a Lower House plenary session.

14:38

Met Assistant Chief Cabinet Secretary Fukuda at the Kantei.

15:15

Met LDP Policy Research Council Chairman Hori and LDP Japanese Economy Revitalization Strategic Council Chairman Machimura, followed by Foreign Ministry Okinawa Affairs Ambassador Imai.

16:13

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Met Finance Minister Yosano, Cabinet Office Policy Director-General Matsumoto, followed by Vice Finance Minister Sugimoto and Vice Minister of Finance for International Affairs Shinohara.

17:17

Attended a Central Disaster Prevention Council meeting. Afterward met Chief Cabinet Secretary Kawamura.

18:03

Attended a Council for Science and Technology Policy meeting. Science and Technology Minister Noda and Cabinet Office Vice Minister Yamamoto stayed on.

19:42

Dined at a French restaurant in Marunouchi with METI Minister Nikai, Vice METI Minister Mochizuki, Deputy Director-General for Policy Coordination Ishige, and Economic and Industrial Policy Bureau Director-General Matsunaga.

22:00

Returned to his official residence.

4) Space plan suggests need for early warning satellites

YOMIURI (Page 1) (Full)

April 22, 2009

The government's space development strategy taskforce, headed by Prime Minister Aso, has worked out a draft of its first ground plan for Japan's space activities or the space master plan. In the wake of North Korea's launch of a ballistic missile early this month, the master plan proposes looking into the feasibility of introducing early warning satellites that can detect missile launches abroad. In addition, the plan also features lunar exploration as a major goal in the future, aiming to utilize the moon's resources. The taskforce is scheduled to meet April 27 to approve the plan, and the government will make an official decision in late May on the plan after seeing public comments.

The space master plan refers to the use of outer space in the security area, noting: "Despite the United Nations Security Council's resolutions and the international community's calls for restraint, North Korea launched a missile in April 2009. In view of this move, the role of space is higher than ever." With this, the plan suggests the need for the government to consider introducing early warning satellites.

In concrete terms, the master plan proposes setting a five-year plan to develop and utilize satellite systems for security purposes and it says the government should steadily conduct research on sensors needed for early warning satellites. In addition, it also says Japan, currently operating three intelligence-gathering satellites, should have a full line up of four intelligence-gathering satellites in five years. Concerning how to position the master plan in Japan's defense policy as a whole, the plan says it will be left to the government in the process of revising Japan's national defense

program guidelines and midterm defense buildup plan by the end of this year. The master plan also touches on a total image of Japan's satellites in the years ahead, indicating that Japan is going to launch a total of 34 satellites over the period of five fiscal years from 2009 to 2013.

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In addition, the taskforce predicts more space debris in consideration of China's test launch of a ballistic missile to destroy a satellite and the collision of U.S. and Russian satellites. In this regard, the master plan suggests the need to reduce and watch space debris, saying Japan should take the initiative for environmental conservation in cooperation with the international community.

5) Japan should mull enemy base strike option: Abe

SANKEI (Page 5) (Full)
April 22, 2009

Former Prime Minister Shinzo Abe of the ruling Liberal Democratic Party yesterday spoke at LDP headquarters before a group of middle-ranking and junior lawmakers seeking to strengthen Japan's deterrence against North Korea. Given North Korea's launch of a ballistic missile early this month, Abe remarked: "Japan and the United States need to have their missile-defense systems function well, while deepening bilateral cooperation. In order to do so, we should discuss the option of exercising the right of collective self-defense and the option of acquiring the capability of striking enemy bases."

Abe touched on the case where Japan's Self-Defense Forces intercept a long-range ballistic missile attacking the United States. Deeming it technically possible in the future, Abe suggested the need to clear up the legal problems before that. When Abe was in office, his cabinet launched an advisory panel on reconstructing the legal base for Japan's national security. Its report called on the government to reinterpret the Constitution in order for Japan to participate in collective self-defense. Referring to the capability of striking enemy bases, Abe said: "We will have to discuss the hardware and clear up the legal problems."

6) Antipiracy bill revision talks face rough going; DPJ opposes LDP's compromise plan

MAINICHI (Page 5) (Abridged slightly)
April 22, 2009

Yasushi Sengoku, Yu Koyama

Talks began yesterday between the ruling parties and the major opposition Democratic Party of Japan (DPJ), which wants revisions to the government-sponsored antipiracy bill. The legislation would allow the Self-Defense Forces to operate in waters off Somalia. In the talks, the DPJ presented a set of revisions, including one to make prior Diet approval mandatory for an SDF dispatch. The talks ran into difficulties, and the two sides decided to meet again on April 22 or later. Eager to enact the bill at an early date, the ruling bloc intends to ram the legislation through the House of Representatives later this week, regardless of its talks with the DPJ.

Directors of the ruling parties and the DPJ of the Lower House Antipiracy and Antiterrorism Special Committee met yesterday in the Diet building. In the session, the DPJ presented a plan to: (1) establish the antipiracy headquarters led by the prime minister, (2) make it mandatory for the government to obtain prior Diet approval, and (3) review the law three years from now.

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The ruling bloc gave consideration to the opposition camp that insists that the Japan Coast Guard (JCG) must play the central role

in antipiracy operations. In the meeting, the ruling camp presented a set of procedures in lieu of establishing the antipiracy headquarters, such as allowing the land, infrastructure, and transport minister to request the prime minister to dispatch the SDF in an event that requires more than the JCG's ability. A senior DPJ lawmaker described the ruling bloc's plan as "completely unacceptable." The prevailing view is that reaching an agreement will be difficult.

Differences in stances even among opposition parties on revising the bill are also making the talks difficult. The Social Democratic Party and the People's New Party are set to oppose the DPJ plan to the last. The committee plans to carry out a question-and-answer session on April 23 with Prime Minister Taro Aso attending. The ruling bloc is aiming to have the committee adopt the legislation that day.

7) Ruling, opposition parties at odds over requirement of Diet approval in anti-piracy bill

ASAHI (Page 4) (Full)
April 22, 2009

Jun Tabuse, Hisashi Ishimatsu

Senior policymakers of the Liberal Democratic Party and the New Komeito started consultations with their counterparts from the Democratic Party of Japan (DPJ) yesterday on revisions to the government's anti-piracy bill. The bill would govern Maritime Self-Defense Force's (MSDF) operations to crack down on piracy in the Gulf of Aden off Somalia. Both sides, however, remain at loggerheads over the most contentious issue of Diet involvement. Settlement of this issue was carried over to today or later. The ruling camp intends to ram the bill through the House of Representatives this week, even if it fails to reach an agreement with the opposition parties.

In the talks yesterday, the ruling side presented a draft proposal revising two points in the government's bill. One revision would strengthen the Japan Coast Guard's (JCG) role, in response to a request by the DPJ. The government bill stipulates: "The defense minister will issue an order to mobilize Self-Defense Force troops to cope with a situation that demands a higher capability than what the JCG can offer." But the draft proposal requires JCG to take procedures to ask the Defense Ministry for anti-piracy operations. Another is an additional provision on international cooperation, such as assistance for coastal countries' anti-piracy efforts.

But regarding the DPJ's call for increased Diet involvement by requiring prior Diet approval, the ruling camp would not respond. The government bill does not seek Diet approval, just noting: "The prime minister should make a report to the Diet at times when he approves anti-piracy operations and when the mission is over." Prime Minister Aso said: "Since anti-piracy operations are categorized as a maritime policing action, there is no need to obtain Diet approval." In reaction, the DPJ has insisted that even if such is categorized as a maritime policing action, since SDF troops are being dispatched overseas, Diet approval should be required from the viewpoint of civilian control.

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In the talks on revising the government bill yesterday, former Defense Agency Director General Gen Nakatani, an LDP member, categorically said: "(Anti-piracy operations) are based on police authority, and not military activities. Such operations do not affect the general population, so Diet approval is unnecessary." Meanwhile, DPJ Diet Affairs Committee Chairman Kenji Yamaoka indicated in a meeting of Diet members yesterday that the party would stand firm on its position, saying: "[The ruling camp] has begun to make an absurd assertion reflecting its intention to remove in advance a chance to reflect public opinion."

The DPJ said it would give a second thought to the ruling camp's proposed revisions. In its executive meeting, however, participants reportedly shared the view that the proposals were totally

unacceptable. The party will make a formal reply today, but it is highly possible that unless the ruling parties present a new proposal, revision talks will end in rupture.

8) Prime Minister Aso offers 'masakaki' to Yasukuni Shrine

MAINICHI (Page 2) (Full)
April 22, 2009

Prime Minister Taro Aso made an offering of 'masakaki' to Yasukuni Shrine at his own expense for the shrine's spring festival that began yesterday. Offerings of masakaki, made of branches taken from a sakaki tree, are placed at the shrine's altar. Aso told reporters last evening at the Prime Minister's Official Residence [Kantei]: "I made an offering last October as well. I made the offerings to express my gratitude and respects to those who died for the country." Asked whether he would visit Yasukuni Shrine while in office, Aso said: "I will make an appropriate decision."

According to Yasukuni Shrine, Aso offered one potted masakaki for 50,000 yen, and the offering was made in his name as "Prime Minister Taro Aso."

Some 20 years ago, then Prime Minister Yasuhiro Nakasone made a masakaki offering to Yasukuni Shrine. In April 2007, then Prime Minister Shinzo Abe also made a similar offering.

In this connection, asked by reporters yesterday about the construction of a new national cemetery that (then) Chief Cabinet Secretary Yasuo Fukuda's advisory panel had proposed in December 2002, Chief Cabinet Secretary Takeo Kawamura stated: "At present, it is not on the agenda."

9) Aso makes offering at Yasukuni Shrine in deference to conservatives; Strong reactions of China and South Korea within range of expectations

TOKYO SHIMBUN (Page 2) (Abridged slightly)
April 22, 2009

Akihiro Ikushima

Prime Minister Taro Aso presented Yasukuni Shrine for its spring festival with a potted masakaki - an offering of branches of the masaki evergreen tree which is considered sacred in Shinto - that he bought out of his own pocket. The act reflects his decision with an eye on the next Lower House election.

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The offering cost him 50,000 yen. He made an offering last fall, as well. In making the offering, Aso used the title "prime minister." Last night, Aso explained to the press corps at the Prime Minister's Office: "I expressed my gratitude and respects to those who sacrificed their precious lives for our country."

Although the Aso cabinet's support ratings are picking up, the prime minister is particularly concerned about LDP supporters turning their backs on Aso, according to an Aso aide.

Aso used to visit Yasukuni on its spring and fall festivals. But he has refrained from doing so since he became foreign minister in the Koizumi cabinet in 2005 out of consideration for China and South Korea.

When he ran for the LDP presidency last fall, Aso exhibited a cautious stance. This seems to have disappointed those who supported the visits to the shrine by then Prime Minister Junichiro Koizumi.

With the next general election approaching, Aso apparently intended to demonstrate he was giving consideration to conservatives, especially the powerful support group Japan War-Bereaved Association, by making an offering as prime minister during the shrine's important festival.

The act has already drawn negative reactions from China and South

Korea, which had fiercely opposed Koizumi's shrine visits. Aso is scheduled to visit China on April 29-30 and hold talks with President Hu Jintao. Aso's offering to the shrine might become a topic there.

Aso is believed to have judged that an offering, not a visit, would not have a serious impact on relations with China and South Korea. Even if the two governments' reactions are constrained, how the public of the two countries react to the event is unknown.

10) China stops short of directly criticizing Aso's shrine offering; South Korea expresses extreme regret

TOKYO SHIMBUN (Page 2) (Full)
April 22, 2009

Norisuke Asada, Beijing

In reaction to the fact that Prime Minister Taro Aso made an offering to Yasukuni Shrine for its spring festival, Chinese Foreign Ministry spokeswoman Jiang Yu in a regular press briefing on April 21 called on Japan to deal with the matter appropriately and cautiously. She said: "In China-Japan relations, Yasukuni Shrine is an important and sensitive political issue." She stopped short of directly criticizing the act, however. With Prime Minister Aso scheduled to visit China on April 29-30, Beijing apparently gave consideration to relations with Japan, which have been improving.

Eiji Tsukiyama, Seoul

In reaction to an offering to Yasukuni Shrine by Prime Minister Aso, a South Korean Foreign Affairs and Trade Ministry spokesman release a statement on April 21 that said: "It was extremely regrettable from a perspective of the correct historical view."

11) Battle over fiscal 2009 extra budget heats up at talks by Diet

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affairs committee chairmen: Opposition parties reject ruling parties' proposal to enter into deliberations on the 27th

MAINICHI (Page 5) (Excerpts)
April 22, 2009

The Diet affairs committee chairman of ruling and opposition parties held talks in the Diet building to discuss a schedule for deliberating on the fiscal 2009 extra budget and related bills. The ruling parties proposed submitting the bills to the Diet on the 27th and then entering into deliberations after a fiscal speech and a question-and-answer session in the Lower House on the same day. The opposition camp, however, rejected the proposal, insisting that thorough deliberations are needed. Since the outcome of the next Lower House election is directly connected to which camp takes the lead in deliberations on the extra budget, the battle between the two camps is intensifying.

Liberal Democratic Party (LDP) Diet Affairs Committee Chairman Tadamori Omori during the meeting stressed: "There is a growing risk that the Japanese economy will hit a new. It is necessary to implement the extra budget as early as possible." During the meeting, Oshima conveyed Prime Minister Taro Aso's intention to hold deliberations on April 30 and May 1 in between the Golden Week holidays. Some ruling party members are aiming to railroad those bills through the Lower House on May 8.

The ruling camp is speeding up its efforts to pass the bills into law, because it calculates that the ruling parties would find it difficult to oppose the extra budget under the harsh economic conditions. The government and the ruling parties are also motivated by their desire to produce results in their efforts to shore up the economy, by having the Diet enact the key legislation so that they can make a public appeal in up-coming Lower House election campaigns. Many members are taking a bullish stance, with one senior LDP official noting: "Talks between the ruling and opposition parties are now impossible. We should hold deliberations actively. We are now ready to fight."

Democratic Party of Japan (DPJ) Diet Affairs Committee Chairman Kenji Yamaoka rebutted: "I cannot accept the ruling party's stance of enacting the bills quickly so that they can be settled in time for the upcoming election." At a press conference on the same day, President Ichiro Ozawa clarified a confrontational stance, saying: "The amount of government bonds issued exceeds the amount of revenue. Some are even proposing making up for deficits with a hike in the sales tax. We will thoroughly deliberate on the way the drafting of the budget is being left to bureaucrats and administrators to work out."

12) DPJ President Ozawa: We will call for thorough deliberations on fiscal 2009 extra budget

SANKEI (Page 5) (Full)
April 22, 2009

Democratic Party of Japan (DPJ) President Ichiro Ozawa yesterday held a press briefing at party headquarters. In it, he stressed that his party would call for thorough deliberations on the supplementary budget for fiscal 2009 and related bills that the government is expected to submit on April 27 to the Diet, and would not agree to an early voting. He stated: "We will thoroughly discuss the contents

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of the budget drafted by bureaucrats, and talk about how a state budget should be drafted."

Regarding the contents of the extra budget, Ozawa pointed out:

"Although the budget includes many impromptu measures, it does not include any systematic reforms. It contains requests from ministries and agencies, and smells like a waste of tax money."

He criticized the government-drafted extra budget, saying:

"I have heard that some (in the ruling camp) suggest that a bill for the issuance of government bonds be covered by a consumption tax hike. This is very different from trying to activate the Japanese economy."

In a meeting yesterday of the Diet affairs committee chairmen from the ruling and opposition parties, Liberal Democratic Party (LDP) Diet Affairs Committee Chairman Tadamori Oshima sought cooperation from the opposition bloc. The opposition, however, demanded thorough deliberations, citing the large scale of the budget. The ruling parties confirmed in a meeting yesterday of their Diet affairs committee chairmen that they would start deliberations on May 1 at the House of Representatives Budget Committee and aim to pass the extra budget and related bills on May 8 in the Lower House.

13) DPJ's Ozawa: My continuing to serve as party leader reflects general will of the party

TOKYO SHIMBUN (Page 2) (Full)
April 22, 2009

Democratic Party of Japan (DPJ) President Ichiro Ozawa was asked yesterday by reporters whether he would remain in his party post, even though his state-funded secretary has been indicted for receiving illegal donations from the Nishimatsu Construction Co. He expressed his view that the party had already agreed to let him continue serving as the DPJ president, and emphasized that he had no intention to quit his party post. He said:

"The DPJ as an organization has decided to let me remain in my post after going through necessary procedures. I am determined to do my best along with my party members for the upcoming House of Representatives election."

He also revealed that he would actively carry out a nationwide stumping tour, which he recently resumed. He told the reporters: "I have received many invitations across the nation. I wish to go to Nagoya for the mayoral election to support our candidate, if possible."

Asked about opinion polls that find much of the public calling on him to take responsibility for the donation scandal, Ozawa criticized the media, saying: "If the media report correctly, the public will understand." He then added: "It is deplorable to see unfair reports made under the guise of being neutral and fair.

14) Losses incurred by Japanese, U.S. and European financial institutions in ongoing financial crisis reach 392 trillion yen, according to IMF estimate

YOMIURI (Page 2) (Full)

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April 22, 2009

The International Monetary Fund (IMF) on April 22 released an outlook that losses incurred by Japanese, U.S. and European financial institutions in the financial crisis that started last year will reach 4 trillion dollars or roughly 392 trillion yen. The report notes that two-thirds of the losses were incurred by banks, and the remainders were by insurance companies and hedge funds.

This was revealed in the World Financial Stabilization Report, which the IMF released the same day. Losses caused by investments made within the U.S., such as those in subprime loans, a housing loan targeting people in the low-income bracket, and securitized products taking such loans as collateral, reportedly come to 2.712 trillion dollars or roughly 265 trillion yen, nearly 70% of the entire losses. The amount is larger than the estimate made as of January 1 this year - 2.2 billion dollars.

The IMF for the first time estimated losses caused by investments in Europe and Japan. It estimates losses incurred by European countries to be 1.193 trillion dollars and those incurred in Japan to be 149 billion dollars.

The report also notes that the increased losses pushed up the amounts of capital financial institutions need to reinforce - up to about 500 billion dollars for U.S. banks and about 725 billion dollars for European banks. The report points out that it is essential to restore market confidence by injecting public money into banks that can continue operations, even if they are undercapitalized. It also indicated a view that it is necessary to temporarily nationalize some banks, depending on the circumstances.

ZUMWALT